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Part II: Deliberations concerning agenda item 15

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Chapter I

REVIEW OF THE PROBLEM OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES AND SPECIAL MEASURES TO BE TAKEN IN THEIR FAVOUR

1. Item 15 of the agenda, as adopted by the Conference, reads as follows: "Special measures to be taken in favour of the least developed among the developing countries aimed at expanding their trade and improving their economic and social development".

2. In considering item 15, the Working Group held .... meetings from 8 March to ..... March 1968.

3. The discussion on item 15 was introduced by a statement by the representative of the Secretary-General of UNCTAD.

4. The statements made reflected a general consensus among the developing and developed countries on the increasing recognition by the international community of the special situation of the least developed among the developing countries and the need to provide special measures in their favour in programmes of international economic co-operation. There was general agreement that the problems and handicaps of the least developed countries should be given particular attention by UNCTAD, the regional economic commissions, the international financial institutions and other competent organs of the United Nations family and that special measures on their behalf should be included among measures emerging from these organizations. Emphasis was laid on the need to develop the economic and social infrastructure as well as to expand and diversify the productive capacity of the least developed countries.

5. The main objective of special measures in favour of the least developed among the developing countries would be to ensure that these countries derive in appropriate cases, equitable benefits and comparable advantages from the various policy measures for development emerging from international economic co-operation of member countries of UNCTAD. These measures could be undertaken in various spheres of UNCTAD activities, such as commodity policy, manufactures and semi-manufactures, development finance including technical assistance, trade promotion, and regional integration.

6. The representatives of many developing countries drew attention to the relevant sections of the Charter of Algiers, in particular, document TD/38/Add.2, which contained recommendations on a series of special measures that could be taken in favour of the least developed countries in the fields of commodity policy, manufactures and semi-manufactures, development finance including technical assistance, invisibles, trade promotion and trade with socialist countries. These representatives expressed the view that these measures should be considered by the Working Group. They further stated that such measures which were not sufficiently specific could be elaborated upon by the Working Group; moreover, additional measures such as those outlined in relevant secretariat documents, in particular document TD/17, should also be considered for inclusion in a programme of special measures for the least developed countries. They also stressed that special measures were of vital importance to the least developed countries to enable them to alleviate their development problems and to effectively participate in global schemes of international economic co-operation.

7. The delegations of some developing countries stated that, while they were in general agreement with the provisions for the least developed countries in the Charter of Algiers, they considered that these measures were of a short-term character and merely constituted an initial attempt to meet the problems of the least developed countries. In future new special measures should be devised to complement them.

8. Considerable importance was attached by several delegations of developing countries to the desirability of a special programme of technical and financial assistance to the least developed countries and to the need for the developed countries to expand or at least maintain their aid programmes to these countries.

9. Other delegations of developing countries offered their experience in regional groupings particularly with respect to special measures for the relatively less developed countries in the context of integration in such groups. In this connexion, some delegations pointed out their efforts in assisting the less developed countries in their region. Others considered that regional measures were not sufficient and had therefore to be supplemented by international action.

10. Some developing countries observed that the special measures in favour of the least developed countries should be taken by the whole international community including the advanced developing countries. This would conform to the spirit of the Algiers Charter which affirms that "the developing countries are determined to contribute to one another's development". The representative of one developing country further added that the developing countries would not be consistent with themselves when they request greater efforts from the developed countries if the advanced developing countries would not in their turn make an effort in favour of the least developed countries. The representative of one developed market economy country enquired why this concept of solidarity between developing countries was not reaffirmed in document TD/38/Add.2. In reply, it was pointed out that this concept had been clearly stated in the Charter of Algiers (TD/38).

11. The delegations of some developed market economy countries expressed the view that special measures in favour of the least developed countries were appropriate in different fields. Some of them considered the possibilities for adapting measures to the specific needs of a given country were more promising in the field of technical and financial assistance. They stressed that international and regional institutions in these fields had a key role in promoting the development of the least developed countries and therefore attached priority to increasing the resources of these institutions, in particular, UNDP, IDA and the regional development banks.

12. Some developed market economy countries referred to the measures which they were already taking in favour of the least developed countries in their aid and trade policies. Mention was made of bilateral and multilateral assistance programmes, contributions to IDA, to the European Development Fund and to regional financial institutions and also the Commonwealth Sugar Agreement. As regards the

matter of aid administration, the delegations of some developed market economy countries affirmed that their aid programmes would continue to pay special attention to the problems of the least developed countries, and some of them pointed out that their aid to least developed countries was provided on particularly soft terms. In addition, the representative of one of these developed market economy countries considered that while attention would have to be given to the volume of aid, special attention should be given to the terms and conditions of aid. In this respect he considered that a high proportion of this aid should be of the grant type.

13. The representatives of several developed market economy countries stated that, in their opinion, commodity agreements could constitute a field for special measures in favour of the least developed countries. The representative of one of these countries stressed the importance of the organization of primary commodity markets to the least developed countries and proposed that, in the provisions of future agreements, the special position of these countries should be taken into account. The representative of another developed market economy country stated that special consideration would need to be given, within the framework of commodity agreements, to those least developed countries whose immediate trade opportunities were largely limited to a very small range of primary commodities for export.

14. The delegation of a socialist country of Eastern Europe offered the experience of their grouping in relation to their relatively less developed member countries and informed the Group of its activities affecting the developing countries, including the least developed among them.

15. Delegations of developed market economy countries expressed the view that it would not be possible for the Working Group to give detailed consideration to individual measures suggested in the Charter of Algiers and secretariat documents on the subject in view of the limited time available to it. They also pointed out that concrete measures in the various substantive fields were related to matters that were still under consideration in the various committees of the Conference. They could not, therefore, commit themselves in the Working Group before they knew the conclusions of the various committees. The subject could be considered by the

Trade and Development Board on a continuing basis with a view to examining the feasibility of special measures suited to the special needs of the least developed countries. In this connexion, some of them suggested that the Working Group draw up a joint statement recommending to UNCTAD bodies as well as other United Nations organizations having responsibilities in the field of development to accord particular attention in their studies, recommendations or decisions to the problems of the least developed countries and wherever possible introduce, in the measures which they recommend or decide for all the developing countries, special provisions in favour of the least developed among them.

16. The delegations of some developed and developing countries expressed the view that the objective of the special measures should be not to create discrimination among the developing countries or to affect adversely the development of any of them but to ensure due benefits for the least developed among them so that all developing countries gained equitable benefits.

17. The representative of a regional economic commission expressed concern over an apparent wavering policy and/or lack of attention to the situation of the least developed countries in some aid programmes. He expressed the hope that bilateral and multilateral aid programmes such as the European Development Fund would be maintained and, if possible, expanded to enable these programmes to continue to assist the developing countries, particularly the least developed among them.

18. The representative of a regional development bank agreed that various special measures could be considered in favour of the least developed countries to enable them to overcome some of the development inhibiting factors and to help them initiate and accelerate their socio-economic development. In view of the belief that a special programme for economic and social development of these countries was necessary, the bank had proposed to establish a special fund which would give special priority to the development of the relatively less developed member countries through soft loan facilities.

19. It was generally agreed in the Working Group that the special situation of the least developed among the developing countries deserved the continuing attention of the international community, and that efforts should be made to devise concrete measures in their favour in appropriate fields. The Trade and Development Board should keep under review the problems of the least developed countries and the effectiveness of the measures taken on their behalf.

20. During the discussion, the representative of Guatemala, on behalf of 14 developing countries, introduced a draft resolution on item 15 for consideration by the Working Group.

Chapter II

IDENTIFICATION OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES

21. The statements that were made on this subject pointed to a general consensus in the Working Group that the problem of identifying the least developed among the developing countries was a complex task and posed certain technical problems. It should, therefore, be approached in a pragmatic manner.

22. The representatives of many developing countries drew attention to the Charter of Algiers listing four possibilities for identifying the least developed countries. They also pointed out that the secretariat documents discussed in some detail some of the main technical aspects of identifying these countries. The representatives of some developing countries pointed out the experience which existing regional groupings and organizations including the regional economic commissions had on this problem.

23. The representatives of many developing countries expressed the view that the identification of the least developed countries could be undertaken by the institutional machinery that may be set up for the application of the general measures adopted at UNCTAD. Some felt that the criteria for identification would vary from measure to measure, and would require to be determined separately in each case. The representative of one of these countries pointed out that there were a number of methods of identification which were not mutually exclusive, but rather could be used in combination and that the institutional machinery should consider this point.

24. The delegations of some developed market economy and developing countries were of the opinion that the list of the least developed countries could emerge from decisions of regional groups while others considered that the list could initially include a few developing countries which could be considered least developed under any set of objective criteria. The representative of one developing country named Malawi, Ethiopia, Rwanda, Burundi, Upper Volta, Somalia and Burma as falling under this category. The representatives of some developed market economy and developing countries pointed out that it would be difficult to devise special measures without any prior knowledge of the countries for which they were intended to be applied.

25. The delegations of some developing countries suggested that the land-locked developing countries should be automatically included in the list of the least developed countries.

26. The representatives of some developed market economy countries stressed the desirability of drawing up a list of the least developed countries. They pointed out that the nature and scope of the special measures that could be considered in favour of these countries depended to a large extent on the number of developing countries for which these measures were intended. Therefore while recognizing the difficulty of establishing an all-purpose list, they considered it necessary as soon as possible to know the approximate number of the least developed countries in respect of particular measures.

27. The representative of one developing country maintained that the concept of least developed countries could be related to particular sectors of the economy. Accordingly, the least developed countries could not be identified before a case-by-case study of those claiming to be least developed had been made.

28. The representative of one socialist country of Eastern Europe stated that he shared the view expressed by several developing countries that the identification of the least developed countries should be undertaken by the developing countries themselves.